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HUMAN RESOURCES DEVELOPMENT

Developing human resources for development

Report of the Secretary-General

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I. INTRODUCTION

1. This report is presented to the General Assembly in response to its resolution 46/143 of 17 December 1991 on developing human resources for development, in which it requested the Secretary-General to submit a report on the implementation of that resolution, including specific proposals for action to enhance inter-agency coordination of the United Nations system on issues relating to human resources development (HRD) and to monitor the activities of the United Nations system in support of human resources development objectives. The Secretary-General was also requested to include in the report recommendations to help mitigate the possible adverse effects of stabilization and structural adjustment programmes on HRD, with a view to making national policies more supportive for HRD. Two previous reports (A/45/451 and A/46/461) under the same title were submitted to the forty-fifth and forty-sixth sessions of the Assembly. Issue No. 19 of the Journal for Development Planning 1/ contains papers that discuss the case for renewed emphasis on HRD from several perspectives. Successive issues of the United Nations Development Programme Human Development Report have been devoted to the analysis of concepts, trends and policies in human development. The World Economic Survey 1990 2/ contained a chapter on external economic factors and social conditions in developing countries. The Report on the World Social Situation 1993 3/ devoted a large part of its contents to these questions.

2. For several reasons, HRD has continued to gain prominence. First, in all countries, HRD provides a means of improving the human condition - longer life, a somewhat richer diet, lower morbidity and improved literacy. It has also been well demonstrated that these improvements can be made even at very low levels of material well-being, as measured by gross domestic product (GDP) per capita, as long as some substantial reordering of priorities takes place. Such a reordering may now be facilitated by the end of the competitive military build-up largely spurred by the former rivalry between the two largest military Powers. However, civil wars, ethnic and religious conflicts and other episodes of violence in some developing countries stand in the way of this reordering.

3. Second, advances in technology have made feasible the achievement of some of these objectives at lower real costs than a decade or so previously. World food output has expanded sufficiently rapidly in recent years to overtake population growth so that, if it had been equitably distributed, global food output would have been more than adequate to feed the world's population. In 1991, 80 per cent of the world's children were, for the first time ever, immunized against diphtheria, pertussis, tetanus, measles, poliomyelitis and tuberculosis. New methods of oral rehydration have permitted millions of young lives to be saved from the fatal consequences of diarrhoeal infections. Finally, a veritable revolution in production technology has made HRD an essential requirement for raising productivity and enabling enterprises to remain competitive in world markets.

4. However, the development of human resources remains arrested in many developing countries, nowhere more so than in Africa. The economies in transition in Eastern Europe and the former Union of Soviet Socialist Republics face daunting problems of HRD as they change over to market economies. The process is taking far longer and is accompanied by much heavier sacrifices than

most had expected. There are persistent, if less severe, problems in developed countries. The problems in developing countries and in economies in transition have been compounded by adverse international economic conditions and the need to implement drastic programmes of economic stabilization and adjustment.

5. Five interacting components can be seen as the major building blocks for effective HRD:

(a) Promotion of lifelong acquisition of knowledge, skills and competencies necessary for the performance of chosen roles that contribute economically and socially to self and others;

(b) Facilitating the application of knowledge, skills and competencies in chosen roles in rewarding ways;

(c) Improving access to assets (such as land, shelter, capital and information) without which the development of human capabilities is often essentially stunted at the source;

(d) Sustenance of human resources through policies and regulatory mechanisms that underpin broad intersectoral support for both the acquisition and the application of knowledge and skills; 4/

(e) Ensuring a modicum of the sense of individual, local and national security: peaceful political and favourable national and international economic conditions.

6. The report has been prepared on the basis of information and contributions provided by the United Nations Development Programme (UNDP) and regional commissions, of reports and publications of the relevant United Nations specialized agencies, and of national data sources and academic studies.

II. DEVELOPING HUMAN RESOURCES

7. At present, most developing countries are in the process of transforming their development policies and institutions in response to the disastrous consequences of the prolonged economic stagnation and, in some instances, economic collapse of the 1980s. This transformation is being pursued on the basis of new perceptions about development, which see in popular participation, individual and local initiative and private business activity the key to economic recovery and sustainable economic growth. The reform process, as the Report on the World Social Situation 1993 outlined, has been evolving along the following lines: (a) changing the balance between the public and private sectors; (b) stimulating private activity; (c) liberalizing internal and external economic regimes; (d) promoting popular participation; and (e) reforming governance.

8. In the light of these new perceptions, many developing countries have also been reviewing their social development strategies, policies and policy instruments. Activity in the social areas has been reoriented towards more realistic goals - to develop and utilize fully their human resources, relying on

domestic financial resources and forging a partnership between the state and other development agents.

9. The economies in transition have also been changing their social policies and the organization of their social sectors. They appear to be much more concerned with the underutilization of human resources rather than with their underdevelopment.

10. Another concern is the quality of social services provided to users. Both groups of countries have been struggling to overcome the mismatch between the needs and requirements of the development process and the quantitative and qualitative parameters of their human resources.

11. The adoption of these new approaches to HRD differs significantly from country to country. This can be partly attributed to variations among developing countries in the current level of human resources development, and partly to the availability of resources, including national expertise for designing and implementing the reform processes. In the economies in transition, the direction and pace of change of human resources development policies and instruments are, in many respects, being shaped by the political process and the speed of transformation. At the same time, there is a certain commonality in the way the processes of change have been evolving in most countries.

12. These countries also face a series of common problems including: (a) a predominantly sectoral approach; (b) a mismatch between the output of the education and health sectors and the needs of the public; (c) constraints on the part of government to provide these services; (d) a gap between the rural and urban areas in terms of the quality of social services provided to users and the degree of coverage; (e) social fragmentation of education and health; and (f) the overall decline of the quality of the social services. 5/

A. Integrated approach to human resources development

13. Integrated approaches to HRD are gaining support among the policy makers in many developing countries. They allow for a whole range of underlying causes of certain social problems, or for a number of problems, to be simultaneously addressed, releasing constraints arresting the development and productive utilization of human resources. For example, undernourishment is a notorious attribute of poverty, but at the same time it is partly responsible for the reproduction of poverty as it creates a low learning capability among children from the poorest families. Supplementary feeding programmes at primary schools, especially in the areas where the low-income population resides, are a means to improve both the nutrition and the learning capability of children from poor families. Some of these programmes also aim at developing income-generating activities among the schools and families to ensure stable local funding of and a supply of food for the feeding programmes. 6/ New programme initiatives in several countries are exploring ways in which services to improve the health of school children can be explicitly related to improvements in learning and achievement. 7/

14. Many developing countries have attempted to approach the problem of undernourishment from another angle by addressing such important factors as the intra-family distribution of food, the role of women in the provision of food and food security, and the interrelation between nutrition, health and hygiene. 8/ According to this approach, the main emphasis on combating undernourishment has been placed on improving the legal status and capacity of women to carry out food-production activities.

15. A similar trend of combining the efforts of different government agencies has been observed when addressing the problems of urban squatters, rural poor and deinstitutionalized persons. 9/ The development and improvement of their capabilities has been seen as a means of alleviating poverty. Many projects and programmes for rural and urban community development and for dealing with deinstitutionalized persons include components which are mutually reinforcing and supportive: training, sanitation, housing, health and access to credit among others.

16. However, examples of such collaboration between different government agencies can be found mainly at the programme or project level. Many developing countries still lack the institutional arrangements and policy regimes necessary to frame and encourage an integrated approach to HRD.

1. Attuning human resources development to the needs and requirements of the national development process

17. A growing mismatch between the available human resources and the needs and requirements of the national development process has generated concern in a large number of countries. Despite the noticeable expansion in the coverage of education, there is evidence of a weakening relationship between the acquisition of skills or a broad education and the upward mobility of the population; between the educational level of the population and labour productivity, economic growth and the overall human condition. 10/

18. These problems are well recognized in some developing countries; in others less well. There has been a perceptible shift in emphasis in a large number of countries.

19. Many developing countries have placed increasing emphasis on primary education and vocational training. Two main reasons behind these changes are the demonstrated cost-effectiveness of primary education and a widely shared belief that primary education can favourably influence reproductive behaviour.

20. New primary education programmes have been introduced in a number of developing countries. They have focused on improving learning opportunities for disadvantaged groups, including the rural poor, girls, the disabled and ethnic minorities. In order to increase the efficacy of primary education in poor rural areas, some countries have modified curricula, organized regular training courses for teachers, provided new textbooks, and, in some cases, decentralized the administration of educational services.

21. It is anticipated that decentralization will help overcome excessive concentration and bureaucracy and give schools more autonomy in the areas of

pedagogy, administration and budgeting. It is also expected that schools will strengthen their ties with the local communities and respond better to local demands. The Colombian experiment, known as the Escuela Nueva model, provides some encouraging evidence. 11/

22. Another major emphasis has been on making vocational training more demand-oriented. In many developing countries, vocational schools have been changed to respond to the needs of local enterprises. Apprenticeship schemes have been encouraged and formal vocational training and informal apprenticeship upgraded with the provision of technical and informational support. 12/

23. Increasing attention has been given to upgrading higher education systems and improving the organization and funding of research and technology development. The Governments of Mexico and the Republic of Korea have taken measures to expand research work at universities and to establish links between universities and local industries and other users of technology, both in the public and private sectors. In some countries of Latin America, attempts have been made to expand and diversify the teaching services provided by universities and technical training institutions so that they could reach new groups of students and cover a wider range of educational needs.

24. In Latin America, there has also been a notable increase in adult education courses, continuing education programmes, educational activities for managers and administrators, refreshers courses and retraining programmes. 13/

25. A similar process can be seen in Africa, although the underlying reasons there are different. In some African countries, universities and technical institutions have diversified their activities because of the erosion of public funding. Through marketing access to their physical and instructional assets, some higher education institutions have been able to improve their financial base while simultaneously strengthening their ties with local businesses. 14/

26. The educational sector in many economies in transition has been learning rapidly to adapt to changes in the demand for professional skills and has been establishing links with the emerging private sector and with State-owned enterprises. The practice of training specialists for industries and newly developed businesses on a contractual basis has become widespread.

27. Attempts have been made to make educational institutions more responsive to the broader socio-political and cultural problems of society, such as combating gender-based stereotypes, the social isolation of minorities and other disadvantaged groups, or improving moral and cultural standards. 15/ In many developing countries both governmental institutions and non-governmental organizations have taken measures to increase the enrolment of girls in school and to recruit more women in teaching. 16/

2. Partnership in developing human resources

28. The involvement of social agents other than the government in HRD is seen as one way to obtain a closer match between supply and demand in HRD, to share the burden of funding, to ensure a broad social consensus in support of HRD

policies, and, finally, to improve the effectiveness of these policies. In many developing countries, such participatory activities have been expanding. 17/

29. Relying for some services on private providers has been helpful in widening access to schooling and diversifying the financial base of higher education. Private universities in some developing countries have joined governments as partners in training students. By employing more flexible degree and non-degree programmes and continuous education schemes and private and public scholarships, a number of developing countries have achieved a noticeable increase in higher education enrolment.

30. In most of the economies in transition, the private provision of educational services has started. Private secondary schools, colleges, universities and training courses are growing in number.

31. Some developing countries and economies in transition have been exploring the potential of a participatory approach to health care. The module system for providing health care appears to have proven quite effective in some countries. 18/ By involving local communities, non-governmental and religious organizations, mass media and the business community in disseminating basic health information and providing families with instructions on the prevention and treatment of diseases, immunization and birth control in some of the poorest areas, several developing countries have made strides in improving their health situation. 19/

32. The problem of financing health care remains very acute, however, in most of the developing countries and economies in transition. Some of them have been trying private sector alternatives in order to reduce costs, extend coverage and improve the quality of health services to the poor. 20/

33. A number of countries, including some of the economies in transition, have introduced or expanded cost-recovery schemes 21/ and tried to extend the coverage of health insurance. The emphasis varied among the promotion of private health insurance (as in Malaysia), voluntary health insurance (as in Indonesia and Sri Lanka), and the extension of the existing compulsory insurance systems (as in the Republic of Korea). 22/

34. However, in many developing countries the level of per capita income and the poverty of a significant part of the population impose severe limitations on extending user-fee schemes both in the education and health sectors. In some countries, the response of the poor to these schemes was withdrawal from schooling and health facilities. 23/

B. The socio-economic environment for human resources development

35. The development experience of the past decades has highlighted the importance of socio-economic conditions for both the formation of human capital and its efficient utilization. Failure of many countries to sustain economic growth and social progress has shown that, without favourable socio-economic conditions, the development of human resources and especially their effective employment for the benefit of human development is problematic. Human resources require economic stimuli to be employed efficiently. In addition, the

efficiency of the utilization of human resources depends on how the benefits of economic growth are distributed and how that affects human conditions, which are an important determinant of the sustainability of economic development and social progress.

36. The socio-economic environment is determined by many factors. Among them, the most important are the institutional system, domestic policies, the level of development, culture, the availability of resources and external conditions. Since the mid-1980s, many countries have initiated comprehensive domestic reforms aimed at improving socio-political and economic conditions. While domestic and external economic constraints were the primary reasons behind these reforms, they were undertaken in many countries in response to demands from society for equal participation in and equitable distribution of the benefits of economic development.

37. The main purposes of these reforms have been to create favourable conditions for popular participation in all areas of social life, to ensure a broadening of individual choice and to provide stimuli for a more productive and constructive role for each member of society in national development.

1. The effects of the political reforms

38. Fundamental changes have taken place in political institutions in a number of countries. 24/ The most important results of the political reforms have been an increase in the participation of social groups previously deprived of any significant political power and the formation of new democracies.

39. The political process in some countries has become very fragmented, with numerous social groups competing in demanding from the newly elected democratic governments an immediate improvement in their access to and share of national resources, while being reluctant to make trade-offs or compromises. In some cases, the central government's activity has been actually paralysed due to the absence of consensus among rival groups.

40. At the same time, the capability of governments to influence the course of economic development and to offset some of the negative effects of structural adjustment programmes and the reform process has been significantly eroded by its withdrawal from productive activity and by budgetary constraints stemming from the high level of public external debt. In some countries, near paralysis in the economic area has contributed to increasing popular dissatisfaction.

41. In many developing countries that have introduced political reforms, political activity, as in the past, continues to be centred mainly in the urban areas, while the majority of the rural population remains outside national political life. In contrast, in some countries decentralization of the decision-making process has led to the strengthening of the power of local elites.

42. In a number of these countries, political liberalization has been exploited by the social groups associated with the old regime in order to preserve or restore their position through manipulating the kin, ethnic and religious and ideological values of parts of the population. In some cases, this has resulted

in a breakdown of the State, civil wars and massive displacement and flight of refugees. Thus, regrettably, political stability, a primary condition for the realization of the benefits of democracy in terms of human development and HRD, has been temporarily lost in some countries.

43. In many countries, the stabilization of the political process and the clarification of the rules of social relations, supported by respect for the rule of law, are urgently needed. Without these conditions, it is doubtful that these countries will be able to implement their HRD policies. The same conditions are needed for the productive employment of human resources. Uncertainty about rules and weak law enforcement undermine investment activities and, thus, the growth of employment opportunities.

2. The impact of stabilization and structural adjustment programmes

44. Over the past decades, external socio-economic conditions have acquired critical importance for domestic development. Sharp changes in world commodity prices, interest rates and exchange rates, restrictions on the movement of factors of production or, on the contrary, their liberalization may affect a country's socio-economic conditions in many ways either for the better or for the worse. Access to technology, financial resources and markets has become a key factor in sustaining the national development process, including HRD.

45. The international environment for most developing countries was generally unfavourable during the 1980s. Weak non-oil commodity prices depressed the export earnings of the majority of African countries and some Latin American and Caribbean countries. Oil prices softened abruptly in 1985 and have not recovered since, depressing the export revenues and government receipts of oil-exporting countries.

46. In 1992, the prices of virtually all primary commodities fell from their 1991 levels. 25/ The prices of agricultural raw materials as a whole declined by 3.1 per cent, of food by 2 per cent, and of minerals and base metals by 3 per cent. The prices of some primary commodities performed even worse. Thus, coffee prices on average were 21 per cent lower in 1992 than in 1991; cocoa prices declined by around 8 per cent; the price of nickel suffered a 14 per cent decrease. Prices of other major commodities, such as natural rubber, cotton, jute and sisal, fell by between 3 and 25 per cent.

47. Sharp changes and long-term declines in primary commodity prices have disturbed and undermined the productive activity of crop producers in many developing countries. Unstable or falling incomes have increased the incidence of rural poverty in many areas of the developing world. In some cases, there has been a complete collapse in rural incomes. As part of a survival strategy, crop producers in some countries have substituted traditional cash crops with plants used for the production of narcotics.

48. Financial flows were suspended to many capital-importing developing countries experiencing external debt difficulties and many of them faced a reversal in the net flows of financial resources. This situation changed in

1991 when net financial flows to capital-importing developing countries became positive for the first time since 1982. 26/

49. In 1992, the developing countries as a whole received $51.9 billion in transfers from other countries, or $4.6 billion more than in 1991. While West Asia received the largest net inflow, some positive change was registered in the situation of Latin America and the Caribbean. From negative transfers of between $20 billion and $30 billion a year in the late 1980s, the transfer became a net inflow of $7 billion in 1992. However, Africa's position was worse in 1992 than in the 1980s as indicated by the negative net transfer of resources of $1.6 billion in that year.

50. An adverse external environment explains only part of the economic difficulties of many developing countries. Sluggish growth was also a combined result of inappropriate economic policies and deeply rooted structural problems inherited from the past. Both factors severely limited flexibility and responsiveness to external shocks.

51. Under conditions of instability and insecurity of resource inflows and competing development priorities, many governments have had to curb their expenditure in the social sectors. For many of the unemployed in developing countries, where safety nets, such as unemployment benefits, are absent or marginal, this has meant abject poverty. The lack of active training programmes and support from placement agencies resulted in prolonged penury.

52. Since the mid-1980s, stabilization and structural adjustment programmes have been introduced in many developing countries in response to the sharp deterioration in economic conditions which has persisted into the 1990s. While a main purpose of stabilization has been to reduce the severe disequilibrium in the current account brought about by the unfavourable international environment of the early 1980s and, often, inappropriate domestic policies, structural adjustment was required to increase the efficiency of the economy and to put it back on a sustainable growth path.

53. The reorientation of policies has included (a) attempts to balance the fiscal budget, (b) changes in relative prices, (c) liberalization of the trade and foreign investment regimes, (d) privatization of State-owned enterprises and (e) deregulation of domestic markets. Because the government in most countries is a provider of employment to others besides the civil service and the military, such measures as privatization and deregulation have had significant social implications. 27/

54. However, economic conditions and economic growth have continued to deteriorate in many countries, despite adjustment efforts. This makes it rather difficult to isolate the effects of structural adjustment and stabilization programmes on the development of human resources. Yet, in attempting to put countries back on a sustainable growth path, stabilization and adjustment programmes have compounded problems by imposing additional constraints - at least in the short term - within which policies had to be designed and implemented. In many instances, the impact was felt in terms of the volume of resources governments devoted to the development of human resources. For many adjusting countries, the need to reduce the fiscal deficit meant that government expenditures had to be curtailed and additional revenues generated.

55. Cuts in government expenditures were difficult to achieve in view of an increasing interest bill on both external and internal domestic debt. Higher international interest rates and a repeated lowering of the exchange rate made servicing the external debt more costly in terms of the national currency. 28/ The ratio of government expenditure to GDP remained fairly constant during the 1980s, but the composition of expenditure underwent considerable change. The share of interest payments in total government expenditure increased - in some instances by more than 100 per cent, while that of health and education remained stagnant or even declined. 29/

56. In per capita terms, the changes were more dramatic. Education expenditure, for instance, declined by 20 per cent in some countries of Latin America during the last decade, when the region experienced deteriorating terms of trade, a negative net transfer of financial resources and slow economic growth. 30/ Health expenditure suffered smaller cuts. Nevertheless, by the end of the decade health expenditure per capita had fallen by 10 per cent or more in several countries. 31/

57. Many African countries were unable to increase their health and education expenditure in line with their population growth. For instance, real education expenditure per capita fell by 50 per cent in Zambia during the past decade, while health expenditure per capita fell by the same magnitude in Egypt. In general, however, cuts in government expenditure on HRD were less severe in Africa than in Latin America, and a number of African countries were able to increase expenditure in these areas during the decade. Despite economic difficulties, some African countries continued to experience positive net inflows of financial resources. Moreover, in some of them, official development assistance (ODA) played an important role in sheltering social expenditure from the overall poor economic performance. 32/

58. In contrast to Latin America and Africa, countries in South and East Asia were generally able to increase education expenditures per capita during the decade by at least 25 per cent in real terms. Health expenditure was also raised in most countries. Relatively faster growth, milder external shocks and a strong government commitment to HRD explain the region's performance in this area.

59. Cuts in government expenditure in other areas also led to a decline in the quality of services rendered. Public sector wages fell in real terms in many countries, thereby forcing qualified staff to leave the sector. Many of those who remained were forced to look for secondary sources of income, which resulted in fatigue and inadequate preparation for their daily routine tasks. 33/ In other instances, the lack of inputs such as educational materials and medical supplies seriously compromised the delivery of services.

60. Decreased government involvement in HRD was not conducive to enhanced participation by private agents. In countries where private agents were ill prepared or unwilling to operate under existing conditions, the State's partial withdrawal created a vacuum. In these cases, the State was replaced by private agents only on a very marginal scale, especially so in the rural areas.

61. In the quest for increased government revenues, user fees and other charges have been introduced. Costs to parents were raised in many countries, which

discouraged parents from sending their children to school. This was particularly the case in rural areas where children actively contribute to the family's survival during sowing and harvest times. In sub-Saharan Africa, primary enrolment ratios declined during the past decade from 82 per cent in 1980 to 72 per cent in 1990. User charges for health services introduced in some African countries led to a decline in the use of these services. Partly as a result, infant mortality rates either rose or stopped improving. Finally, despite improvements in indicators at the regional level, access to safe water and sanitation declined in many African and Latin American countries.

62. Structural adjustment programmes have affected HRD through changing overall socio-economic conditions. Real wages and income from self-employment often fell. The decline in income meant that a larger number of people became unable to sustain their previous patterns of consumption, which seriously affected their access to housing, education, health and adequate nutrition. In Latin America, for example, an increased incidence of malnutrition among children was reported in several years during the 1980s. 34/

3. The effects of transformation

63. The impact of the socio-economic transformation taking place in the economies in transition on the HRD sectors may be characterized as mixed. In all sectors - health, education, housing, and employment - the privatization process has produced alternative organizational forms: public, private or collective. The present institutional organization of the HRD sectors is still far from consolidated. A unifying concept is yet to be developed for the management and division of functions, responsibilities and rights between the providers of education and health services.

64. Two major factors continue to constrain consolidation: (a) continuous bargaining between the major social groups over the content of the fundamental institutions; and, consequently, (b) overall uncertainty about the rules, duties and rights and, as a combined result, the weakness of law enforcement.

65. These factors have also contributed to the slowness of progress towards economic stabilization and the worsening of the economic situation. At present, a major concern of the Governments of the countries in transition are appropriate safety nets. A solution to these problems would help ensure broad social support for the policy of transformation.

66. In the meantime, the public funding of HRD continues to deteriorate, re-enforcing those negative trends that had emerged even before the transformation process started: (a) shortage of pharmaceutical drugs and medical equipment and materials; (b) overloading of available facilities; (c) poor quality of medical services; (d) deteriorating drinking water supply and sanitation; (e) declining health/nutrition and educational standards; (f) pollution of water resources and air; and (g) the shortage and poor quality of housing.

67. The formal - and often informal - privatization of public health facilities and educational institutions in response to the erosion of public funding and

spread of private providers has led to rapid social differentiation in education and health.

III. THE AVAILABILITY AND CONDITIONALITY OF OFFICIAL DEVELOPMENT ASSISTANCE

68. For decades, official development finance (ODF) 35/ has been an important source of material resources and expertise for many developing countries. Total real ODF (at 1991 prices and exchange rates) increased from $34.5 billion in 1970 to $55.7 billion in 1980 and $68.1 billion in 1992. 36/ The largest component of ODF, ODA grew in real terms from $29.9 billion to $44.6 billion between 1970 and 1980. However, towards the end of the 1980s ODA stagnated: in 1992, it was estimated at $54.9 billion (at 1991 prices and exchange rates) as against $56.5 billion in 1985. Disbursements by multilateral organizations followed this trend: they grew strongly in the 1970s and remained flat in real terms in the late 1980s. 37/ However, concessional multilateral disbursements, which are included in ODA, grew faster than non-concessional disbursements in the late 1980s. 38/

69. A positive trend has been observed in the activity of regional development banks. During 1985-1990, they increased their net disbursements of concessional flows. For example, in 1990 the African Development Bank disbursed $603 million on concessional terms as compared to $210 million in 1985, and the Asian Development Bank $1,101 million as compared to $393 million. Net disbursements of concessional flows by all major financial institutions, including regional development banks, practically doubled after 1980, from $5.2 billion to $9.0 billion in 1991.

A. Official development assistance

70. During the second half of the past decade, there was a significant reduction in ODA from sources other than the members of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD), such as the Organization of Petroleum Exporting Countries (OPEC), the economies in transition, especially the former Soviet Union, and some other donors (China and India). The increase of ODA from DAC members was not always large enough to offset fully the losses of ODA suffered by the developing countries which were the main recipients of aid from other sources.

71. The net flow of bilateral ODA (at current prices and exchange rates) to developing countries grew much faster than multilateral development assistance over the period 1970-1991. While the average annual growth rate of bilateral ODA was 7.8 per cent over the period, that of multilateral ODA was only 4.8 per cent. This led to a decline in the share of multilateral in favour of bilateral ODA in total ODA flows. The share of multilateral ODA in total ODA shrank from 33.6 per cent in 1980 to 27.2 per cent in 1991.

72. Since 1985, the share of the United Nations system (excluding the World Bank group) in overall net disbursements of concessional flows provided by multilateral organizations has been declining. It fell from 37.8 per cent in 1985 to 32.6 per cent in 1990. The average annual growth rate of

contributions from Governments and other sources to the operational activities of the World Bank group was 8.9 per cent during the period 1987-1991, while for the rest of the United Nations system the figure was 6.0 per cent. As a result, the resource base of UNDP and other United Nations specialized agencies has been eroded. UNDP, for instance, has been experiencing difficulties in meeting the originally established indicative planning figures for the fifth programme cycle owing to a reduction in anticipated contributions and the strengthening of the dollar vis-à-vis the currencies of other donors. UNDP programme planning is being carried out at the level of 75 per cent of planned targets. 39/

73. On the whole, since the end of the 1980s, the availability of concessional resources has become increasingly tight. Owing to the difficulties in some countries in Central and Eastern Europe, Africa, and those of the former Soviet Union, civil strife and wars in some other countries and regions, debt-overhang and persistent mass poverty, the need for development assistance has dramatically increased. However, there has been noticeable "aid fatigue" among the major donors as they have been trying to cope simultaneously with their growing international obligations and pressures from social groups demanding more attention to domestic problems caused by the recent widespread economic slowdown. These factors have affected the priorities chosen by bilateral donors and multilateral financial institutions, thereby generating some controversy between donors and recipients over the relative importance of mid- and long-term development priorities.

B. Changing priorities and responsibilities

74. There has been a perceptible shift in priorities within ODF. The largest share of ODF has been spent on debt relief and in support of structural adjustment efforts. Adjustment lending accounted for 28 per cent of IBRD/IDA commitments in fiscal 1991 and 27 per cent in fiscal 1992. 40/

75. The easing of the debt crisis and the end of the cold war produced considerable optimism. However, these positive developments did not remove the need to pursue fundamental and long-lasting structural changes and address the problems that were at the root of the debt crisis and the collapse of central planning. The persistence of mass poverty in developing countries and the recent mushrooming of ethnic and civil conflicts have generated international debate over the effectiveness of ODF in terms of improving human conditions. A new approach to poverty alleviation has been suggested and subsequently incorporated in the development strategy of multilateral and bilateral ODA agencies.

76. This new approach is based on the assumption that, while economic growth and market mechanisms are the main prerequisites for development, additional efforts should be made to combat poverty in the developing economies. In this context, HRD is seen as a means of alleviating poverty, through educating the poor and thus broadening their choice of economic opportunities.

77. The share of ODF resources provided for HRD in developing countries has grown over the period 1988 to 1991. The combined shares of education and health in total ODF commitments increased from 5 per cent in 1988 to 8 per cent in

1991. The share of technical cooperation, on the contrary, fell from 16 per cent to 11 per cent during the same period. 41/

78. The combined shares of education and health and population activities in ODA provided by DAC countries, however, has been decreasing: from 26.8 per cent in 1980 to 16.2 per cent in 1986 and 13.5 per cent in 1990. This was mainly because of the reduction in the share of ODA provided for health or population activities. 42/ A similar declining trend in ODA provided for health and population activities has been observed in the case of the multilateral institutions.

79. However, in 1990 some major development institutions, especially IBRD/IDA, took measures to increase their support for HRD. In the fiscal years from 1990 to 1992, World Bank educational lending doubled and reached an annual average of $1.9 billion. World Bank lending for primary health care, in contrast, decreased from 5.4 per cent of total Bank lending in 1991 to 3.6 per cent in fiscal 1992. 43/ The combined shares of education, health and population in the grant expenditures of the rest of the organizations of the United Nations system remained the same, 32 per cent on average, over the period 1989-1991. 44/

80. These general observations have to be treated with caution since ODA development, sectoral or anti-poverty programmes and projects, especially those carried out by multilateral institutions, health and population activities and training components have increased in many countries during the past years. These expenditures are counted as part of ODA spent on those projects, and are not categorized under education or health and population activities. 45/

81. The relative decline in multilateral ODA has caused some concern as bilateral ODA tends to be more heavily tied than multilateral ODA. 46/ Bilateral ODA is more easily influenced by local groups in the donor country that benefit from aid or by the donor's ideological and security motives, than in the case of multilateral ODA. 47/

82. Another concern has been the attachment of political conditions to ODA. These have not been applied uniformly over the past decades. Such selectivity erodes trust between countries, and undermines the effectiveness of international cooperation.

83. During the past years, a new trend in international relations has emerged: the separation of the responsibilities for the making and for the enactment of decisions. It appears that in many developing countries, the capacity of the national government to make and implement decisions has weakened. At the same time, major financial institutions and donors have acquired a profound role in determining recipient countries' budgets, social and economic policies, and, to some extent, political institutions. Several factors have been responsible for this phenomenon: (a) the increased dependence of many countries on external resources caused by structural changes in the world economy and the failure of past policies; (b) the growing vulnerability of many developing economies to external shocks due to the lack of diversity and low flexibility of their productive base; and (c) the current debt crisis, which reinforced their economic dependence.

84. However, responsibility for the results of policies continue to be borne by national governments. They are expected to honour the commitments to their domestic constituency that they made during the election campaign. Yet these domestic obligations often run into conflict with the donors' expectations, especially those which concern budgetary issues and affect wages, employment and incomes. This dilemma has had a paralysing effect on the government in some countries. In some countries whose governments attempted to pursue donors' policy recommendations without first ensuring broad social support, the resulting unpopularity of the policies has generated civil disturbances and the erosion of the political support for the government.

85. It is, then, essential that donors and international financial organizations take into consideration the social implications of their demands and attempt to broaden the content of structural adjustment programmes.

86. It is also important that national governments supplement their efforts to stabilize and restructure the national economy with more vigorous measures in order to improve the capability of the poor to utilize available economic opportunities and to provide a supportive environment for productive economic activity. The transparency of the government's intentions constitutes another critical condition of stability and social support for its policies.

87. Other implications of ODA have recently attracted the attention of the international community. In the area of HRD, the dependency of some governments on external funding and expertise has led to their virtually delegating managerial functions to donors, often in key HRD areas. 48/ Although a partial transfer could, in some specific cases, be justifiable at the initial stage of the programmes, making a routine of such a pattern of international cooperation runs against the overall concept of ODA and, in the long run, leads to the waste of resources. The main goal of international cooperation is to assist the poor countries in building up their own national capacity to manage the development process, not to substitute for the national government.

IV. OPERATIONAL ACTIVITIES OF THE UNITED NATIONS SYSTEM

88. The activities of the United Nations system directly and indirectly related to HRD are numerous. Beside HRD sectoral projects and programmes, such as education and health, practically all programmes in the economic and social field have a HRD component or objective, and particularly those dealing with the eradication of poverty, advancement of women, population, disadvantaged groups, sustainable development and environmental protection, human settlements and communal development. They subsequently require inter-agency cooperation. There is a growing body of evidence that this cooperation is a key element of national policies. Recent initiatives by UNDP to introduce a new style of human development assistance have been seen by many United Nations agencies as a useful broad human-centred conceptual framework that has improved inter-agency cooperation and coordination in the areas of HRD.

89. At present, the United Nations is in the process of reorganization and restructuring. A principal purpose of these efforts is to bring the United Nations more into harmony with the new global situation and to make it more effective and efficient in coping with problems of international concern.

90. A comprehensive policy review of the operational activities for development of the United Nations system takes place on a triennial basis; the last two reviews being in 1989 and 1992. The General Assembly resolutions coming from these reviews, 44/211 and 47/199, directed, inter alia, that reorganization efforts should entail a clearer division of labour among the United Nations institutions and result in more decentralization and enhanced field-level coordination, including harmonizing and simplifying rules and procedures in such areas as programme cycles, evaluation, monitoring and audit, and through strengthening the resident coordination system. The necessity of integrating more closely the operational activities of the United Nations system with national efforts is one of the key goals and is to be pursued through the country strategy notes, harmonized programme cycles, the programme approach and national execution.

91. In paragraph 47 of resolution 47/199 the General Assembly reaffirmed the importance of human development, including human resources development, and requested the United Nations system to strengthen the support given by its operational activities for development, at the request of recipient countries, to sectors vital to human development.

92. In order to make the United Nations system more responsive to the changing requirements of developing countries and more effective and efficient in implementing internationally established development-oriented strategies, a broad reform of programme management is necessary. 49/

93. A progress report on the implementation of General Assembly resolution 47/199 (E/1993/73) was presented to the Economic and Social Council at its 1993 substantive session 50/ and the Council adopted resolution 1993/7, which gives further impetus to achieving greater coherence of United Nations system operational activities for development. In view of the above, the present report limits itself only to a brief summary of the measures undertaken by the United Nations system in this respect.

A. Enhancing inter-agency coordination

94. In 1990, the Administrative Committee on Coordination (ACC) established guidelines on the strengthening of the resident coordinator system, which were reviewed as part of the comprehensive policy review in 1992 in accordance with General Assembly resolution 46/219. The guidelines were assessed in 1992, taking into account variations in country contexts and requirements, particularly countries with a large United Nations presence and funding; countries facing especially difficult circumstances and emergencies; countries involved in social and economic transition; and countries with a small, but "catalytic" United Nations system presence. The assessment concluded that further steps were needed to strengthen the resident coordinator system and underlined the necessity of a fully coordinated multidisciplinary approach to the provision of international support for recipient countries, while bearing in mind the complementarity of the United Nations agencies' activities and the need for a clearer division of the spheres of competence.

95. Subsequently, the General Assembly, in resolution 47/199 recommended, particularly, the strengthening of the resident coordinator system and, in

paragraph 40, called upon resident coordinators to take the necessary steps, when circumstances so justified, to establish, in consultation with host Governments, an appropriate field-level committee of all resident United Nations systems representatives which would serve as a United Nations coordinating mechanism in the countries concerned.

96. Moreover, to ensure the effective integration of assistance provided by the United Nations system into the development process and also to ensure greater inter-agency coordination and cooperation, the General Assembly decided that a country strategy note should be formulated by interested recipient Governments with the assistance of and in cooperation with the United Nations system, under the leadership of the resident coordinator, in all recipient countries where the Government so chooses. The country strategy note was regarded as a broad framework of the United Nations system response to recipient country plans and priorities to be used, inter alia, for the project and programme preparation of the respective United Nations organizations. The procedures of integrating and linking national priorities and international support are being worked out as well. 51/

97. The efforts at improving coordination will build on acquired experience and not lead to new organizational structures. Increases in the flow of information between all parts of the system is probably the most effective and efficient way to achieve coordination.

B. Improving the monitoring of activities

98. The measures being implemented in the area of monitoring the activities of the United Nations system include, as mentioned above, simplification and harmonization of procedures in programme evaluation, monitoring and audit.

99. Moreover, the Consultative Committee on Programme and Operational Questions (CCPOQ) of the Administrative Committee on Coordination (ACC) worked out a common interpretation of the programme approach 52/ and national execution 53/ of operational activities within the United Nations system.

100. The Inter-agency Working Group on Evaluation made progress in reaching agreement on compatible and harmonized evaluation methods within the member agencies, and refined the substance and techniques of evaluation within the system. This group produced a glossary of evaluation terms as well, and is currently concentrating on country programme monitoring and evaluation, the monitoring and evaluation of nationally executed projects and programmes, thematic and ex post evaluation and the strengthening of national capacity and training. Further steps to achieve the targets set out in Assembly resolution 47/199 are being taken.

101. The Joint Consultative Group of Policy Sub-Group on Structural Adjustment and Social Development developed a framework for field-level monitoring by the United Nations agencies of social aspects of the structural adjustment process.

102. A comprehensive handbook of social development monitoring was issued in 1993 by the former Department of Technical Cooperation for Development in order to harmonize the evaluation methods of the member countries. 54/

103. In paragraphs 33 and 34 of resolution 47/199, the General Assembly set deadlines for two of the outputs of the inter-agency coordination mechanisms. Agreement has to be reached by 1 July 1994 on a common United Nations system-wide manual for procedures relating to programme-component and project formulation, appraisal, implementation, monitoring and evaluation. By 1 January 1995, measures are to be in place to enhance accountability at the field level, including effective harmonized programme monitoring, evaluation and management audit systems. In its resolution 1993/7, the Economic and Social Council requested the Secretary-General to ensure that an effective methodology for evaluation of the programme approach, as called for in paragraph 13 of General Assembly resolution 47/199 was developed by June 1994.

V. CONCLUSION

104. Much of the reason for all this activity in the field of inter-agency coordination and the setting of tight deadlines was to ensure that reforms that have been decided upon by the General Assembly were put into effect. In resolution 47/199 the General Assembly was concerned that "the full and coordinated implementation of resolution 44/211 has not been achieved by the United Nations system" (second preambular paragraph) and that "many of the principles of that resolution have still to be implemented" (third preambular paragraph). Once these reforms take hold and the efficiency and effectiveness of operational activities are improved, then "it is hoped that the confidence of donors and recipients alike will grow" (E/1993/73, para. 20).

105. Considerable stress has been placed on working out mechanisms to evaluate the new approach. The approach to evaluation is complex, as many dimensions have to be taken into account in the new approach: (a) assessing the success of the implementation of the particular programme; (b) seeing how it contributed to building up national capacity in the area; and (c) the long-term and overall effects. The value of the United Nations system's contribution "will depend on its ability to provide a holistic response to national plans and priorities" (ibid., annex III, para. 4). Separating the contribution of the system from that of the other bodies is not as easy as when one body executes a particular project. Similarly, developing the national capacity for sustainable development cannot be easily measured: literacy rates might improve, but still the national capacity for development might not improve commensurately. For instance, adult literacy rates in many African countries are higher than those of India and Pakistan, and yet their present national capacities for development are generally considered to be smaller than those of the other two countries. Movements in indicators, such as life expectancy, literacy or income per head, that form the basis of the UNDP's Human Development Index give an idea of progress, but they can and sometimes do move in different directions. Experience has also shown that the results of human resource development can take some time before becoming visible: often only after a critical mass of talent has been built up in many different fields does a country "take off" into self-sustaining growth.

106. Agreement on the dimensions of the problems to be addressed itself facilitates coordination. For instance, the preparation of the country strategy notes would be greatly facilitated if there were agreement on the social indicators, as this would show which sectors should receive the greatest

priority. A system-wide standardization of social indicators is, then, important for the United Nations operational activities in the area of human development.

107. The formidable analytical and methodological challenges involved in evaluating the new approach do not detract from its value or call into question the correctness of its overall thrust. Rather, they call for patience and understanding, and for not expecting immediately visible results. This is a point that applies as much to donors as to recipients - who both want to see early results from their efforts. It applies with particular force at the present time when efforts in developing human resources for development undertaken by both national Governments and multilateral institutions have led to significant progress in many countries, but have not arrested the deterioration in a large number of other countries. Especially disturbing have been the trends in Africa, the economies in transition and several Latin American countries.

108. Reducing macroeconomic disequilibrium and continuous structural adjustment are prerequisites for long-term sustained economic growth and development in all countries. Such efforts should be facilitated by a favourable international economic environment. As the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries (Assembly resolution S-18/3, annex, of 1 May 1990), adopted at the eighteenth special session of the General Assembly pointed out:

> 22. The major industrialized countries influence world economic growth and the international economic environment profoundly. They should continue their efforts to promote sustained growth and to narrow imbalances in a manner than can benefit other countries. The co-ordination of macro-economic policies should take full account of the interests and concerns of all countries, particularly the developing countries ...
>
> 23. ... developing countries should continue to work towards keeping control over inflationary tendencies, promoting domestic savings, achieving favourable conditions for domestic and foreign investment, modernizing their economies and increasing their international competitiveness.
>
> 24. However, economic policies should have as their ultimate objective the betterment of the human condition and the enhancement of the contribution of all persons to development. The full utilization of human resources and the recognition of human rights stimulate creativity, innovation and initiative.
>
> 25. A primary objective must be to respond to the needs and maximize the potential of all members of society. ... The international community should support efforts to arrest the current escalation of extreme poverty and hunger. It is essential to reverse the present deterioration of this grave situation.

109. The integrated approach to HRD is thus not only the strategy of an increasing number of countries but has also been recognized as the key strategy by the international community.

110. As described above, even at the present time, the adverse effects of structural adjustment and stabilization programmes in some developing countries have not been adequately dealt with. Wage earners, the poor and the labour force employed at the parastatals appear to be mostly affected. The withdrawal of the poor from the use of education and health facilities due to the introduction of cost-sharing schemes may reinforce the trend towards their marginalization in some countries and increase the scale of social marginality. The reduction of employment opportunities in the urban areas due to the privatization of parastatals and the continuous economic recession may bring new social groups into the poverty trap.

111. In view of those trends, the following actions should be considered at the national level to offset the adverse effects of structural adjustment:

(a) The productive participation of all development agents should be encouraged by fiscal and institutional means at an early stage;

(b) National Governments should continue their efforts to improve the targeting of the most needy while reducing unproductive expenditures (such as military expenditures) and/or reorienting them towards social sectors;

(c) Consideration should be given, where appropriate, to allocating at least one fifth of additional aid to HRD, with a view to raising the proportion of total aid allocated to HRD;

(d) Serious measures should be taken to improve or to develop and install appropriate safety nets in most developing countries;

(e) The State should continue to operate in those areas where private development agents are reluctant to enter. However, clear market orientation of State enterprises has to be ensured in order to promote efficiency;

(f) The formulation of sectoral policies for HRD has to be undertaken in an integrated fashion and these policies should be incorporated in the national development plan or strategy;

(g) The institutional system dealing with HRD has to be rationalized through (a) establishing clear rules and principles for institutional interactions and (b) defining the functions, rights and obligations of the institutions and development agents;

(h) The structural causes of poverty have to be gradually removed. Governments have to identify which causes of poverty have to be addressed on a priority basis. However, the HRD component has to be integrated in any programme dealing with the alleviation of poverty. 55/

112. For many countries, the pursuit of these policies will be difficult, because of the continuing deterioration of their terms of trade, the necessity to meet external debt obligations and their limited production capability. For countries in this position, additional development assistance inflows will be crucial for sustaining HRD.

113. As regards the United Nations system, it appears that after many years of debates between the Bretton Woods institutions and the other organizations of the system, a consensus seems to be emerging on the priorities and principles of multilateral support for national efforts. The Bretton Woods institutions and other bodies, especially the International Labour Organisation, UNDP, the United Nations Educational, Scientific and Cultural Organization and the regional commissions have achieved much in clarifying the situation in developing countries and assessing the effects of structural adjustment programmes on the human condition. There is agreement that structural adjustment policies and programmes should be more aware of and sensitive to human conditions, and that in the long term the major priorities of international cooperation and development assistance have to be poverty alleviation and HRD in developing countries.

114. However, as noted above, funding for the United Nations bodies (excluding the World Bank group) may continue to encounter difficulties. This is especially the case with core contributions. Many United Nations bodies have been trying to meet donors' demands concerning the efficiency of their operations. But it appears that in some cases cost reductions were achieved mainly through cutting the costs of targeting the needy and, thus, at the expense of the overall effectiveness of their activities. It would probably be better for the bodies of the United Nations system to achieve a reduction of costs by reducing the number of projects and programmes they carried out than by sacrificing the effectiveness of their operational activities. Greater focusing of the activities may also help to make them more effective. Two areas of critical importance seem to be most in need of attention in many developing countries and economies in transition: institution-building and institutional environment.

115. Certain problems that have developed in the past years owing to inappropriate approaches, such as, for example, the externalization of HRD management in some developing countries, have to be corrected. The relevant United Nations bodies have to review and reorient their programmes in those countries and to assist them in building up their own managerial capacity.

116. For the United Nations system as a whole, any activity has to be measured by its effect on development, peace and stability in recipient countries. The international community is still in the process of developing a system of common values. In many respects, this process is conditioned by the diversity of the existing cultures and social organizations. The United Nations bodies can and must contribute to improving communication between countries, assist in forming effective and mutually beneficial collective policies to address development problems, and mobilize wider global support for international cooperation. The implementation of the present international commitments to eradicate poverty and to assist the developing countries in improving their human resources/human capital and finally their human conditions requires the success of international solidarity and effective and efficient international instruments.

117. It is apparent that the effectiveness and efficiency of multilateral assistance and international cooperation have been, in many ways, affected by the degree of consistency and cooperative spirit of the donor countries and by their true readiness to eliminate the real roots of the pressing global problems. The recent shift towards bilateral ties is in some respects a

disturbing sign. This trend may reinforce the fragmentation of the international community, increase the unevenness and asymmetry of global social progress and undermine the effectiveness of collective efforts to reverse negative developments. The reasons for the "aid fatigue" that has been evident in a number of donor countries have to be re-examined in the light of the uncertainties in international relations, the new determination of developing countries to adopt policies that will result in high quality growth and the tremendous capacity that exists for making major improvements in the current situation with the commitment of relatively small resources.

118. The United Nations system together with the developing and donor countries needs to set a clear course based on a strategic vision of development into the next century that should emphasize betterment of the human condition, including environmental sustainability and participation of all groups and countries in the process and in the fruits of development. This implies a considerable reorientation of national policies in all countries and a reordering of priorities of multilateral and bilateral cooperation. The role of the United Nations system in bringing the required changes about can be critical. It serves both as a forum for consensus building and an instrument for giving practical shape to internationally agreed policies. In human resource development, for example, it can facilitate consensus on clearly defined goals and targets that can then be pursued both at the national and international levels through well coordinated and integrated policy approaches.

119. A recommitment to multilateralism is, however, essential for the changes suggested above. The capacity of the United Nation system to cope successfully with global problems can and must be improved. This will involve much smaller costs than those which the world will otherwise have to bear if global problems - especially lack of development and economic inequities - continue to grow. Mushrooming social and ethnic conflicts are an early symptom of much more serious troubles in the future. The United Nations system has to become an instrument for collective action to prevent serious conflict as the founders of the Organization envisaged.

Table. Contributions from Governments and other sources for operational activities of the United Nations system: overview, 1987-1991

(Millions of dollars)

		1987	1988	1989	1990	1991
	Contributions to United Nations funds and programmes					
1.	Contributions to UNDP a/	1 024.9	1 070.8	1 075.2	1 192.9	1 242.0
2.	Contributions to UNDP administered funds and trust funds b/	100.9	131.1	129.9	128.5	103.3
	Subtotal (1-2)	1 125.8	1 201.9	1 205.1	1 321.4	1 245.3
3.	Contributions to UNFPA c/	175.0	195.8	203.7	227.8	272.6
4.	Contributions to UNICEF d/	547.5	676.8	635.8	785.7	781.6
5.	Contributions to other United Nations funds and programmes e/	29.4	43.8	35.7	66.8	62.3
6.	Contributions to WFP f/	832.1	981.3	1 064.6	1 029.1	1 404.6
	Subtotal (1-6)					
	Contributions for operational activities of specialized agencies					
7.	Assessed contributions to regular budgets g/	320.4	271.9	246.2	216.5	272.1
8.	Extrabudgetary contributions	415.9	536.9	537.1	604.9	676.2
	Subtotal (7-8)	736.3	808.8	783.3	821.4	948.3
	Total (1-8)	3 446.1	3 908.4	3 928.2	4 252.2	4 814.7
	Contributions to IFAD and the World Bank group					
9.	Contributions to IFAD	302.1	261.6	77.5	129.0	194.6
10.	Contributions to IDA	2 914.6	3 322.4	3 737.4	3 478.6	4 850.1
	Subtotal (9-10)	3 216.7	3 584.0	3 814.9	3 607.6	5 044.7
11.	Capital subscription payments to IBRD	319.6	747.9	712.0	511.6	118.3
12.	Capital subscription payments to IFC	114.5	117.5	80.7	167.1	74.2
	Subtotal (11-12)	434.1	865.4	792.7	678.7	191.5
	Total (9-12)	3 650.8	4 449.4	4 607.6	4 286.3	5 237.2
Grand total		7 096.0	8 357.8	8 535.8	8 538.5	10 051.9

Source: "Operational activities for development. Comprehensive statistical data on operational activities for development for the year 1991". Note by the Secretary-General (A/47/419/Add.2), table A-1, p. 16.

(Footnotes on following page)

(Footnotes to table)

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a/ Including cost-sharing and government cash counterpart contributions, and contributions to Special Measures Fund for Least Developed Countries.

b/ Including the Capital Development Fund, the Special Fund for Land-Locked Developing Countries, the Revolving Fund for Natural Resources Exploration, the Fund for United Nations Volunteers, the United Nations Fund for Science and Technology for Development, the United Nations Development Fund for Women and the Trust Fund for Sudano-Sahelian Activities; and other funds, accounts and trust funds of UNDP.

c/ Including contributions to trust funds and "special population programmes" of UNFPA.

d/ Including net profit from sale of greeting cards.

e/ Constitutes regular budget and extrabudgetary contributions, including government self-supporting contributions, in relation to the United Nations, and its regional commissions, UNCHS, UNCTC and UNCTAD.

f/ Including contributions to the International Emergency Food Reserves and extrabudgetary contributions.

g/ I.e., the imputed share of regular budget financing of technical cooperation expenditures in relation to the distribution of assessments among Member States.

Notes

1/ "Human Development in the 1980s and Beyond", Journal of Development Planning, vol. 19 (United Nations publication, Sales No. E.89.II.A.2).

2/ United Nations publication, Sales No. E.90.II.C.1 and corrigendum.

3/ United Nations publication, Sales No. E.93.IV.2.

4/ The integrated HRD concept focuses on public sector policies as they relate to individual human development. Following on from work by the regional commissions, particularly ESCAP with the Jakarta Plan of Action and ECA with the HRD Framework for Africa, this concept was proposed by UNDP, OIC and UNESCO at the 1991 Rabat Meeting on HRD in a paper entitled "Intersectoral Approaches to Human Resources Development for the 1990s and Beyond".

5/ This decline in quality can be attributed partly to problems of management, lack of technological innovation, centralization and the increased size of the respective programmes. However, increasing budgetary constraints in many countries are also part of the explanation.

6/ Such programmes were initiated in Brazil, the Philippines, Venezuela, Brazil and some other countries.

7/ See WHO/UNDP/Ford Foundation/Edna McConnel Clark Foundation/ James S. McDonnel Foundation, Partnership for Child Development (London, Scientific Coordinating Centre of the Partnership for Child Development, Imperial College, 1992).

8/ Some countries - Gambia, Honduras, Indonesia, the Federated States of Micronesia, the Philippines and the United Republic of Tanzania - have launched nutrition programmes for women aimed at changing the patterns of the production, preparation and distribution of food within the household. These efforts had positive effects in some countries, resulting in the better nutritional status of children and lower infant mortality (Joy Miller Del Rosso, Investing in Nutrition with the World Bank Assistance, 1992, p. 5).

9/ See "International cooperation for the eradication of poverty in developing countries", report by the Secretary-General (A/46/454), and "Developing human resources for development", report of the Secretary-General (A/46/461). Deinstitutionalized people can be defined as those whose lives are largely conducted outside the formal institutions.

10/ See ECLAC/UNESCO, Education and Knowledge: Basic Pillars of Changing Production Patterns with Social Equity (United Nations publication, Sales No. E.92.II.G.6).

11/ The Escuela Nueva is managed locally and involves communities and families in school activities and maintenance. It employs a new curriculum, flexible grade system and innovative teaching methods. Among the latter is a new type of modular self-training text for students, which stimulates the students' self-learning. The teachers' skills and knowledge are upgraded on a regular basis at "microcentres". The teaching personnel participating in this programme demonstrated a more positive attitude towards their work and a better

understanding of the needs of their students than did teachers in conventional schools. The Escuela Nueva experiment has raised the quality of primary education even in the remotest rural areas for relatively modest increases in the cost per student (Marlaine E. Lockheed, Adrian M. Verspoor and associates, Improving Primary Education in Developing Countries, (Washington, D.C., World Bank Publication, 1991), p. 161).

12/ One example of a training system that combines traditional on-the-job apprenticeship training with formal study is the National Open Apprenticeship Scheme in Nigeria, under which the employer provides training and the trainee works for a lower wage. Many Nigerian parastatals and private enterprises have participated in this experiment. A similar project was launched in Togo where regional vocational training centres were established to boost apprenticeship. The success of both experiments proved that there is a potential for cost-sharing and demand-oriented training in developing countries (Sub-Saharan Africa: From Crisis to Sustainable Growth, (Washington, D.C., The World Bank, 1989), p. 83).

13/ See ECLAC/UNESCO, Education and Knowledge: Basic Pillars of Changing Production Patterns with Social Equity, pp. 139-140.

14/ This was the case, for instance, with the Jomo Kenyatta University College of Agriculture and Technology in Kenya (see William S. Saint, Universities in Africa. Strategies for Stabilization and Revitalization, (Washington, D.C., World Bank Technical Report No. 194, 1992), p. 56).

15/ One example of a successful approach to the problem of the social isolation of the indigenous population is Ecuador's MACAC educational model aimed at the Quechua-speaking population. The model was designed to meet two requirements: to integrate the Quechua-speaking population into the mainstream of society, and to recapture its cultural and social values, allowing individuals to recover and affirm their identity and knowledge. Courses were taught in Quechua, the indigenous language, while Spanish was taught as a second language. The model became part of the Ecuador's National Development Plan and was extended to other regions of the country (ECLAC/UNESCO, Education and Knowledge: Basic Pillars of Changing Production Patterns with Social Equity, p. 154).

16/ For example, the Bangladesh Rural Advancement Committee sponsored a new programme aimed at reaching as many girls as possible, using innovative means, including a satellite school programme. Also, a Women in Development Unit was created in the National Curriculum and Textbook Board. Finally, Bangladesh has expanded female education scholarships (The Dividends of Learning (Washington, D.C., The World Bank, 1991), p. 22).

17/ 1993 Human Development Report, (New York, Oxford University Press, 1993).

18/ For instance, in Peru, the delivery of medical services to the inhabitants of Villa El Salvador, a self-governing community of urban poor, is carried out through different structures, among which the most important are 35 primary-level health care modules. These modules provide primary health care services and target the infant-mother group. The providers are mainly local and foreign NGOs. They furnish medical personnel, while the local Ministry of

Health supplies all the vaccines. Despite some difficulties associated with the lack of appropriate facilities, the heavy workload of the medical personnel, a meagre budget, and a diversity in approach to health care among the participants, the Villa El Salvador experiment with modules on a participatory basis proved to be rather successful. It represents a cost- and health-effective option for coping with the health care problems of the population of urban slums (Carmelo Mesa-Lago, Health Care for the Poor in Latin America and the Caribbean, PAHO Scientific Publication No. 539, Inter-American Foundation, 1992, pp. 147-148).

19/ This approach was attempted in Ceara, one of the poorest states of Brazil, and the health situation there improved significantly. The infant mortality rate decreased by nearly one third despite the economic austerity at that time. At present, the Brazilian Government intends to extend the scheme to other states (see UNICEF, Status of the World Children, New York, 1992).

20/ The Costa Rican Social Security Fund developed three programmes with the private sector: enterprise physicians, mixed medicine and health cooperatives. The first two programmes do not benefit the poor directly, but they strengthen the financial base of the Fund and allow it to maintain free health care for the poor. The health cooperative, however, is obliged to provide disease-preventive, curative and diagnostic services and antiparasitical treatment to the poor in exchange for medical facilities and equipment plus monthly sums per user from the Fund (Carmelo Mesa-Lago, Health Care for the Poor in Latin America and the Caribbean, p. 206).

21/ These countries included, among others, Benin, Ghana, Guinea-Bissau, the Lao People's Democratic Republic, Poland and the Russian Federation.

22/ WHO, Report of the Director-General, "Implementation of the global strategy for health for all by the Year 2000, second evaluation; and eighth report on the world health situation" (WHA.45.3), p. 86.

23/ Richard Jolly, "Adjustment with a human face: a UNICEF record and perspective on the 1980s", World Development, vol. 19, No. 12 (1991), pp. 1,807-1,821.

24/ See Report on the World Social Situation 1993 (United Nations publication, Sales No. E.93.IV.2), chap. X.

25/ For a detailed analysis of recent economic conditions, see World Economic Survey 1993 (United Nations publication, Sales No. E.93.II.C.1).

26/ Ibid., table IV.1, p. 93.

27/ "Dilemmas of macroeconomic management: stabilization and adjustment in developing countries", Supplement to the World Economic Survey 1990-1991 (United Nations publication, Sales No. E.92.II.C.2).

28/ Devaluations themselves were partly caused by the lack of external financing and declining real prices of primary commodities. International interest rates have been falling since 1991, which may provide some relief for countries holding debt with commercial creditors. In the late 1980s, debt reduction was a component of many debt renegotiation agreements with commercial

banks. Unfortunately, debt reduction agreements do not seem to have significantly altered the expected cash-flow associated with the debt (see World Economic Survey 1993, chap. VI).

29/ For developing countries as a whole, expenditure on interest payments increased from 2.0 to 3.9 per cent of GDP between 1979-1981 and 1987-1989. Expenditure on education increased from 3.0 to 3.1 per cent over the same period, and on health it remained at 1.3 per cent (Department of Economic and Social Information and Policy Analysis of the United Nations Secretariat based on IMF, UNDP and World Bank data).

30/ Education expenditures per capita were cut by at least 20 per cent in real terms in Argentina, Chile, Costa Rica, El Salvador, Mexico and Paraguay. Latin America's performance is very much influenced by Brazil, which increased substantially health and education expenditures on a per capita basis towards the end of the decade.

31/ This was the case in Argentina, Costa Rica, El Salvador, Mexico and Paraguay.

32/ This may be the case for Botswana, Burundi, Cameroon and Ethiopia, where at least 15 per cent of ODA received was earmarked for social expenditures. On the other hand, in Egypt, Kenya, Nigeria and Somalia, among other countries, the share of ODA allocated to health and education was also significant, but not enough to produce an increase of these expenditures on a per capita basis.

33/ See Report on the World Social Situation 1993.

34/ This phenomenon was registered in Barbados, Bolivia, Brazil, the Dominican Republic, Guyana, Jamaica, Mexico, Peru and Uruguay (see G. A. Cornia, "Investing in human resources: health, nutrition and development for the 1990s", Journal of Development Planning, No. 19 (1989), pp. 159-188).

35/ Official development finance (ODF) includes official development assistance (ODA), less-concessional multilateral flows and certain bilateral flows (OECD, Development Co-operation, 1992 Report (Paris, 1992), p. 80).

36/ OECD, "Financial resources for developing countries: 1992 and recent trends" Press Release (SG/PRESS(93)41), July 1993, p. 17.

37/ OECD, Development Co-operation ..., p. 80.

38/ In current terms, multilateral ODA disbursements increased from $8 billion in 1985 to $17 billion in 1992, and other multilateral disbursements from $7.6 to $8.0 billion over the same period (OECD, Press Release, p. 17).

39/ See United Nations, Governing Council of the United Nations Development Programme, Financial, Budgetary and Administrative Matters, Annual Review of the Financial Situation, 1992, "Net flow of contributions by donor and recipient Governments", Report of the Administrator (DP/1993/44/Add.1).

40/ World Bank, Annual Report 1992 (Washington, D.C., 1992), pp. 19-20.

41/ OECD, Geographical Distribution of Financial Flows to Developing Countries. Disbursements, Commitments, Economic Indicators, 1988/1991 (Paris, 1993), p. 315.

42/ OECD, Development Co-operation, 1989 Report (Paris, 1989), table 28, p. 233, and 1992 Report (Paris, 1992), table 30, p. A-41.

43/ World Bank, Annual Report 1992 (Washington, D.C., 1992), p. 51.

44/ See "Comprehensive statistical data on operational activities for development for the years 1988 and 1989", note by the Secretary-General (A/46/206/Add.1) and "Comprehensive statistical data on operational activities for development for the year 1991", note by the Secretary-General (A/47/419/Add.2).

45/ "Implementation of the Declaration on Social Progress and Development", Report on the World Social Situation 1993 (United Nations publication, Sales No. E.93.IV.2), annex, pp. 219-224.

46/ However, the share of tied ODA in overall bilateral ODA from DAC members has decreased from 26.7 per cent in 1987 to 23.5 per cent in 1990 (OECD, Development Co-operation, 1992 Report (Paris, 1992), table 6, p. A-15; and 1989 Report (Paris, 1989), table 5, p. 209)

47/ For an analysis of problems with tied aid see C. J. Jepma, "The impact of untying aid of the European Community countries", World Development, vol. 16, No. 7 (1988), pp. 797-805; Manfred Holthus and Dietriech Kebschull, "The effects of tied and untied development loans", INTERECONOMICS (May/June 1985), pp. 130-135.

48/ J. E. S. Lawrence, Occupational Information and International Development: Improving HRD Diagnostics, National Occupational Information Coordinating Committee Occasional Paper/1, December 1990, pp. 8-9.

49/ See "Enhancing international cooperation for development: the role of the United Nations system", report of the Secretary-General (E/1992/82/Add.1).

50/ See also "Progress achieved and obstacles encountered in implementing the social development goals and objectives of the International Development Strategy for the Fourth United Nations Development Decade", report of the Secretary-General (E/1993/5) and "Annual overview report of the Administrative Committee on Coordination for 1992" (E/1993/81).

51/ The guidelines of the Consultative Committee on Programme and Operational Questions (CCPOQ) for the implementation of the country strategy note in countries that choose to adopt this approach are given in E/1993/73, annex II.

52/ The text agreed to by CCPOQ relating to the promotion of the programme approach is reproduced in E/1993/73, annex III, section A.

53/ The text of the common framework for national execution and implementation arrangements that was agreed at the March 1993 meeting of CCPOQ is reproduced in E/1993/17, annex IV.

54/ "Social monitoring of adjustment processes for economic management" (TCD/SEM.92/10).

55/ More precise policy recommendations may be found in the following publications: World Bank, 1990 and 1993 World Development Report (Washington, D.C., 1990 and 1993); UNDP, Human Development Report, 1990-1993, (New York, Oxford University Press); IFAD, The State of World Rural Poverty, (New York, New York University Press, 1992); UNICEF, Children and the Transition to the Market Economy, eds., Giovanni Andrea Cornia and Sandor Sipos, (Brookfield USA, Avebury, 1991); and some other UNICEF country and regional studies.